

Delta Stewardship Council Early Action Project Review Application

9/16/2010

1. Applicant Information

Request:

Inclusion as an early action: Contra Costa Canal Levee Elimination and Flood Mitigation Project

Name:

Contra Costa Water District

Legal Status: County Water District organized under Division 12, Section 30000 *et seq.* of the Water Code

Address: 1331 Concord Ave. Concord, CA. 94525

Contact Information: Greg Gartrell

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Project Narrative, including legal authority and rationale for urgency.

The purpose of the Contra Costa Water District (CCWD) Canal Levee Elimination and Flood Mitigation Project (Project) is to replace 21,000 feet of the unlined Contra Costa Canal with a pipeline to improve source water quality available to CCWD by preventing intrusion of poor quality groundwater; eliminate up to eight miles of aging canal embankments that were not intended to provide flood protection, though they are currently relied upon for that purpose; and, improve security and public safety by preventing access to the open water canal.

Permitting and mitigation negotiations for the entire 21,000 foot Project were completed in 2007. CCWD acquired wetland and habitat (burrowing owl & giant garter snake) mitigation land at Holland tract. As of this application, CCWD has acquired 47 acres of wetland and 98 acres of upland habitat through the Wildlands Company and construction of those habitats was 50% complete.

Construction of the Project is multi-phased. In total there are three construction phases of the Project. Phase 1 of the Project, completed in 2009, installed approximately 1,900 of pipeline from Contra Costa Water District's (District) Pumping Plant 1 (PP1) to Marsh Creek. Phase 2 of the Project will consist of installing a pipeline starting at the terminus of the Phase 1 Project and extending to East Cypress Road. Phase 2 of the Project has been designed for flexibility to install pipeline consistent with the level of funding available at the time. Phase 3 of the Project will extend the pipeline to the Rock Slough Fish Screen (currently under construction and will be completed in the summer of 2011) which will be partially funded by the adjacent landowners.

Rationale for Urgency

The Dutch Slough Tidal Marsh Restoration project is a critical early action to improve the ecosystem health of the Sacramento-San Joaquin Delta, a point highlighted by Governor Schwarzenegger in a July 2007 statement and its inclusion in the Interim Delta Plan. The completion of the legislatively mandated (SBX7-1 Section 85085) Dutch Slough Tidal Marsh Restoration project is dependent on the construction of 11,000 ft of

the pipeline adjacent to the Dutch Slough Restoration site. Mitigation term 3.1.1-5 of the Dutch Slough EIR Mitigation Monitoring and Reporting Program states “To avoid potential negative impacts to water quality within the Contra Costa Canal from groundwater intrusion, breaching of the Dutch Slough project site will not commence until encasement of the Canal south of the site is complete.”

The Contra Costa Canal Levee Elimination Project also advances other goals outlined in SBX7-1 and the Delta Vision; it will reduce flood risk and improve water quality. Completion of the Contra Costa Canal Levee Elimination Project will have the following immediate benefits:

- improve source water quality available to CCWD by preventing intrusion of poor quality groundwater
- eliminate up to eight miles of aging canal embankments that were not intended to provide flood protection, though they are currently relied upon for that purpose
- improve security and public safety by preventing access to the open water canal

Project Physical Location

Figure 1 is a map of the project location in relation to the Dutch Slough restoration project.

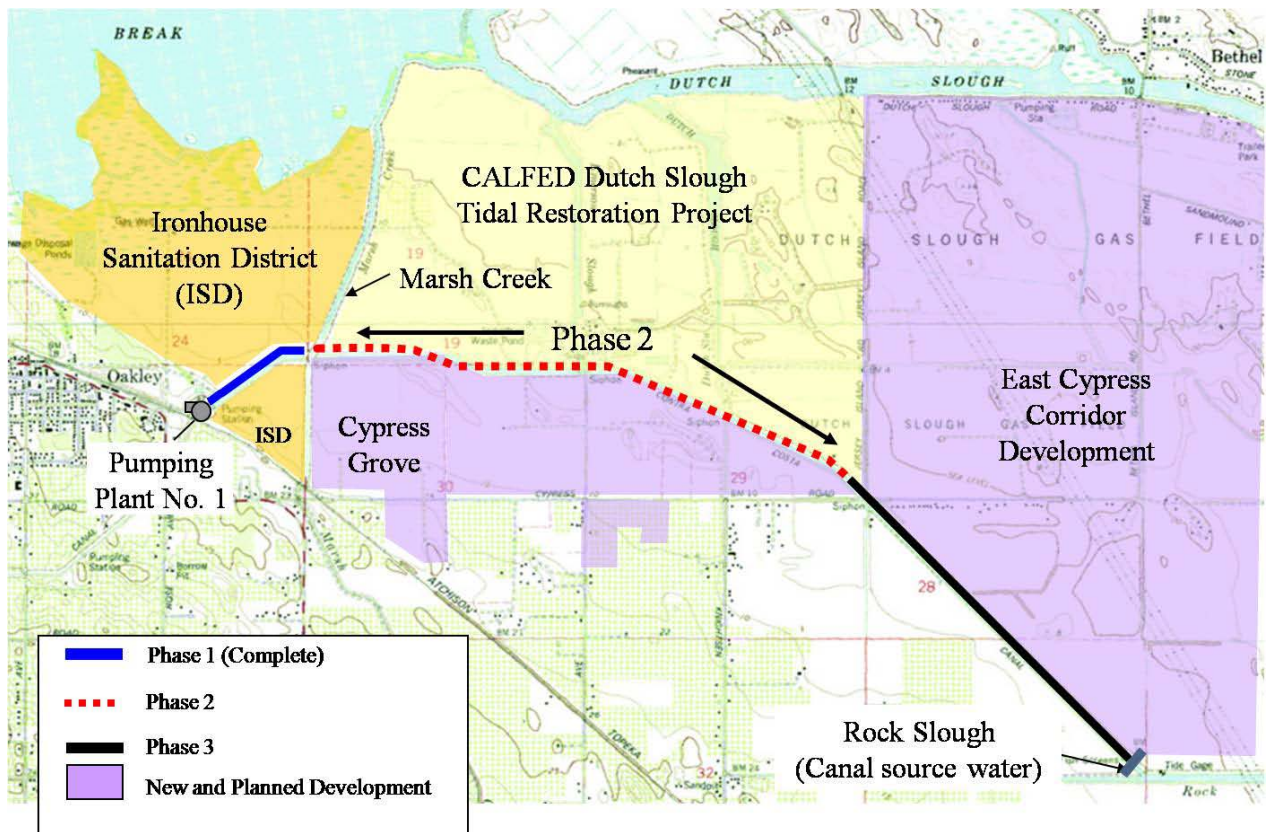


Figure 1 Map of Contra Costa Canal Levee Elimination Project. Phase 2 of the project is along the southern boundary of the Dutch Slough Restoration Project and the canal must be encased before the Dutch Slough Restoration project can be completed.

2. Project Review by Public Agencies

The project is fully permitted and the table 1 below summarizes the agencies that have reviewed the project and granted permits.

Table 1 Permit History for Contra Costa Canal Levee Elimination Project

Environmental Compliance	Agency	Date Permit Obtained
State	Central Valley Regional Water Quality Control Board 401 Permit	Mar-07
	CA Department of Fish and Game 1600 Permit	Sep-07
	CA Department of Fish and Game 2081 Permit	Oct-07
	State Historic Preservation Office MOU	Oct 07
	Central Valley Regional Water Quality Control Board Dewatering Permit	Jun-09
	CEQA Compliance	Nov-06
Federal	US Army Corps of Engineers 404 Permit	Aug-07
	National Marine Fisheries Letters of Concurrence	Jun-07
	US Fish and Wildlife Coordination Act Letter	Jul-07
	US Bureau of Reclamation/WAPA NEPA EA/FONSI	Jul-07
	US Fish and Wildlife Biological Opinion	Nov-08
	NEPA Compliance	Jul-07

Local Government Discretionary Approval(s):

Yes ____ No **X** If yes, describe:

Delta Protection Commission Consistency Approval(s):

Yes ____ No **X** If yes, describe:

Bay Conservation and Development Commission Permit:

Yes ____ No X If yes, describe:

State Lands Commission:

Yes ____ No X

CalTrans:

Yes ____ No X

State Water Resources Control Board Permit:

Yes X No ____

Regional Water Quality Control Board

Yes X No ____ Regional Board Number: _____

California Dept. of Toxic Substances Control

Yes ____ No X

California Department of Fish and Game Streambed Alteration Permit:

Yes X No ____

DF&G Take Authorization:

Yes X No ____

Other DF&G Permit:

Yes ____ No X

U.S. Army Corps of Engineers:

Yes X No ____ Public Notice Number: _____

U.S. Fish and Wildlife Service: Take Authorization

Yes X No ____

Biological Opinion:

Yes X No ____

NOAA Fisheries Service: Take Authorization

Yes X No

Biological Opinion:

Yes X No

U.S. Coast Guard:

Yes No X

Federal Funding:

Phase 1 (Completed) Funding:

- US Bureau of Reclamation Water 2025 Challenge Grant, \$200k awarded in July 2007
- CA Department of Water Resources, \$10.1M awarded October 2004
- State Water Resources Control Board, \$1.5M awarded July 2007
- CA Department of Public Health, \$2M awarded February 2008

Phase 2 Funding:

Funding has not been secured for future work.

Phase 3 Funding:

Property owners & CCWD

3. Environmental Impact Documentation

a) Is the project statutorily or categorically exempt from the need to prepare any environmental documentation?

No, but all environmental documents are complete. CEQA Notice of Determination filed on November 30, 2006. NEPA Final FONSI signed on July 11, 2007.

b) Has a government agency other than the Council, serving as the lead agency, adopted a negative declaration or certified an environmental impact report or environmental impact statement on the project?

Yes (see 2 and 3a)

4. Assessment against Delta Reform Act Policy Objectives

(a) Manage the Delta's water and environmental resources and the water resources of the state over the long term.

Positive X Negative Neutral Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

Completion of the project will ensure an improvement in water quality for CCWD customers, reduce the flood risk to adjacent properties and enable timely completion of the Dutch Slough Restoration Project.

- (b) Protect and enhance the unique cultural, recreational, and agricultural values of the California Delta as an evolving place.

Positive X Negative Neutral Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

The project prevents flooding and thereby reduces risk to adjacent agricultural lands.

- (c) Restore the Delta ecosystems, including its fisheries and wildlife, as the heart of a healthy estuary and wetland ecosystem.

Positive X Negative Neutral Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

Loss of wetland habitat is fully mitigated and new uplands habitat is created. The completion of the project also removes predator habitat.

- (d) Promote statewide water conservation, water use efficiency, and sustainable water use.

Positive X Negative Neutral Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

Improved water quality at Rock Slough intake allows the intake to be used more frequently; when combined with the new fish screens allows improved flexibility in protecting fish and water supply.

- (e) Improve water quality to protect human health and the environment consistent with achieving water quality objectives in the Delta.

Positive X Negative Neutral Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

Project will improve water quality by reducing groundwater seepage of high salinity water into the Contra Costa Canal.

- (f) Improve the water conveyance system and expand statewide water storage.

Positive X Negative Neutral Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

This project improves conveyance and will likely increase amount of water stored in Los Vaqueros Reservoir which is available in emergencies and extended droughts.

- (g) Reduce risks to people, property, and state interests in the Delta by effective emergency preparedness, appropriate land uses, and investments in flood protection.

Positive X Negative Neutral Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

Removing the levees will decrease flood risk to adjacent properties.

- (h) Establish a new governance structure with the authority, responsibility, accountability, scientific support, and adequate and secure funding to achieve these objectives.

Positive Negative Neutral X Unknown

Rational, magnitude of effect (if positive or negative) and documentation:

5. Assessment of Administration and Implementation Processes

Cost of Project:

The cost for the completed Phase 1 of the project including planning, permitting and Phase 1 construction have totaled over \$11M. Details are included in Attachment A (mailed as a CD with hard copies). Table 2 below presents the cost for Phase 2 of the project that has yet to be funded.

Table 2 Phase 2 Cost Estimates for Contra Costa Canal Levee Removal Project

Phase 2 Tasks Remaining	Cost
Mobilization	\$120,000
Bypass Pumping & Power	\$1,500,000
Marsh Creek Crossing	\$1,500,000
Sellers Road Crossing	\$400,000
Little Dutch Slough Crossing	\$250,000
Easements and Land Agreements	\$150,000
Pipeline Construction	\$24,000,000
Transition Structure at End	\$390,000
WAPA Relocation	\$160,000

Import Fill Material	\$1,128,000
PP1 Modifications	\$1,000,000
Contingency	\$3,855,348
Overhead & Profit	\$7,955,480
Planning, Design, Construction Administration	\$2,968,618
Total	\$45,377,446

Financing (provide information on public and private sources of funding, including funds on hand or legally pledged or obligated and the source of those funds)

CCWD is working with DWR to search for and secure funding available under Proposition 84 for the remaining phases of the Project. In 2011, CCWD will also be applying for funding under the Proposition 84 Integrated Regional Water Management (IRWM) Implementation Grant Program and the IRWM Storm Water Flood Management Grant. CCWD has obtained authorization to receive up to \$23 million of federal funds in the 2007 Water Resource Development Act and has budgeted over \$7 million of matching District funds.

Identify any public agencies whose actions or decisions are essential for the proposed action to succeed. Provide evidence of their approval and support of the proposed action.

Please find the evidence of support and approval of this project from the following agencies attached in Attachment B (mailed as a CD with hard copies):

California of Department Fish and Game
California Department of Water Resources
National Marine Fisheries Service
U.S. Fish and Wildlife Service
U.S. Bureau of Reclamation
U.S. Army Corps of Engineers
Central Valley Regional Water Quality Control Board
State Historic Preservation Office

If real property must be acquired or use altered for the success of the project, identify the owners of that property and information on how ownership or use change will occur.

Long Term

- USBR owns the 300 ft of existing right of way surrounding the pipeline (Canal). CCWD would own the pipeline and maintains the adjacent facilities.

Temporary

- Construction easement. 200 linear ft along the canal is needed to accommodate equipment and construction. Adjacent landowners (DWR, local housing developer) are amenable to granting a temporary construction easement.
- Dewatering areas. Adjacent landowners (cattle rancher and DWR) are amenable to temporary use of their property for dewatering.

Offsite Mitigation

- CCWD acquired wetland and habitat (burrowing owl & giant garter snake) mitigation land at Holland tract. As of this application, CCWD has acquired 47 acres of wetland

and 98 acres of upland habitat through the Wildlands Company and construction of those habitats was 50% complete.

Provide a time line for the proposed plan or project, including major milestones through completion.

We have included the project schedule as Attachment A (mailed as a CD with hard copies). Phase 2 of the project is pending adequate funding.

Describe how success or failure of the plan or project will be determined, including measures proposed, time frame and public agency responsible for judging success:

Success of the Project includes: a well-engineered pipeline replacing the existing Contra Costa Canal, removal of levees that pose a flood risk, the timely completion of Phase 2 that will enable completion of the Dutch Slough Restoration,

Describe the major benefits that can result from the proposed plan or project, including identification of beneficiaries and any information on the magnitude and timing of benefits received:

Completion of the Contra Costa Canal Levee Elimination Project will have the following immediate benefits:

- improve source water quality available to CCWD by preventing intrusion of poor quality groundwater
- eliminate up to eight miles of aging canal embankments that were not intended to provide flood protection, though they are currently relied upon for that purpose
- improve security and public safety by preventing access to the open water canal
- the Dutch Slough Restoration Project will be able to move forward towards completion

If the proposed plan or project fails, what is done? What additional costs could be incurred and how will they be financed? Identify any lasting effects or changed options for future policy making:

If the Contra Costa Canal Levee Elimination Project does not move forward with Phase 2 of the Project quickly, the Dutch Slough Restoration Project will be delayed. If the Project does not move forward, flood risks will persist if not increase. Water quality will continue to degrade, necessitating more treatment and more water released from storage to meet water quality delivery goals.

6. Scientific justification (to address requirement for Council use of best available science,

Water Code section 85302(g)):

Attach description of scientific justification for the proposed plan or project and provide any pertinent documents. Address the criteria identified in Section 3 when preparing the scientific justification. Provide complete list of all scientific references cited.

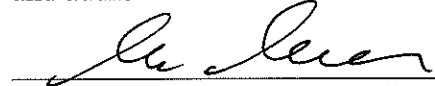
A variety of reports support the Contra Costa Canal Levee Elimination Project, including several reports that were independently reviewed (CALFED, and EPA). A brief list of important supporting documents is provided below:

- *Final Performance Report for EPA Grant SDWA 1442: CALFED Old River/Rock Slough Water Quality Improvement Projects*, December 2002. Contra Costa Water District.
- *Revised Full Proposal for the Canal Encasement Project, an Element of the CALFED Rock Slough Water Quality Improvement Project*, December 2003. Contra Costa Water District.
- *Delta Region Drinking Water Quality Management Program (CALFED)*, June 2005. Contra Costa Water District, Solano County Water Agency, City of Stockton.
- *Summary of Canal Encasement Alternatives*, October 2005. Carollo Engineers.
- *Hydraulic Modeling Summary*, November 2005. Carollo Engineers.
- *Groundwater Investigation and Monitoring Program Dutch Slough Restoration Area*, May 2006. Luhdorff & Scalamanni Consulting Engineers.

A complete list of reports that went into the development of this project can be made available if desired.

7. Applicant certifications and authorizations

I certify that all of the information submitted is complete and accurate to the best of my knowledge and that all attached exhibits are full, complete and correct. I certify that I understand that omitted or insufficient information can delay consideration of this application. I certify that this application is not complete until accepted by the Council at a regularly scheduled meeting. I authorize the Council, its staff or other authorized personnel to share this information publicly and authorize their collection of additional information relevant to this application.



Signature of applicant or applicant's representative

16 Sept 2010

Date

Printed name: Greg Gartrell

Title: Assistant General Manager

Attachment A
Contra Costa Canal Levee Elimination Schedule and Cost

(See CD for Attachments.)

Attachment B
Contra Costa Canal Levee Elimination Permits

(See CD for Attachments.)